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Appendix XXIV.

[Vide Item XVII " Papers laid on the table of the House " at page 134 supra.]

Finance (Retrenchment) Department.

MEETINGS OF THE RETRENCHMENT COMMITTEE HELD IN THE SECRETARIAT, FORT St. GEORGE, FROM THE 23rd TO 25th, 30th AND 31st JULY AND 1st AUGUST 1931.

I.—PRESS COMMUNIQUÉ, DATED 23RD JULY 1931.

Suggestions for immediate economies.—The Retrenchment Committee re-assembled at the Secretariat, Fort St. George, this morning. The first subject discussed was the head for effecting immediate economies in the budget provision for the current year. A memorandum prepared by the Finance Department explained that on the information so far available considerable shortages were anticipated under various heads of revenue, notably Excise, compared with the budget estimates. To meet these shortages, it was suggested that more or less arbitrary cuts should be made in certain heads of the budget such as the provision for travelling allowances, petty construction and repairs, books and periodicals and other contingencies. It was also suggested that definite savings might be secured in various other ways, e.g., by the discontinuance of further expenditure from Collector's discretionary grants, by reducing the provision for compassionate gratuities and commutation of pensions and by curtailing provision made for buildings of all kinds. The Chief Engineer had already submitted to Government a list of new works or works in progress which in his opinion might be stopped or slowed down with a consequent saving of about Rs. 10 lakhs.

The Committee accepted the proposals made by the Finance Department and scrutinized in detail the list of works submitted by the Chief Engineer. As a result of the scrutiny they recommended that the savings might be increased from Rs. 10 lakhs to Rs. 16 lakhs under this head. They also expressed the desire to examine the Chief Engineer and the Surgeon-General regarding the possibility of curtailing expenditure, in view of the existing financial stringency, on certain large schemes such as the remodelling of the General Hospital and the construction of headquarter hospital at Madura.

II.—PRESS COMMUNIQUÉ, DATED 24TH JULY 1931.

Travelling allowances.—The Retrenchment Committee spent the whole day examining proposals for the reduction in the rates of travelling allowances under the three main headings of Railway journeys, Road mileage, and Daily allowance. A comparison with the rates in other parts of India showed that, generally speaking, the present Madras allowances have been pitched on a generous scale; and the Committee finally agreed to recommend considerable reductions all-round.

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As regards Railway fares they recommended that the rate should be reduced from $1\frac{3}{5}$ to $1\frac{1}{2}$ times the fare for all ordinary journeys; but agreed that some special provision would be required to meet the cost of more expensive types of journey performed by heads of departments and other officers in the first grade.

Under Road mileages reductions were recommended in the ordinary rates for all except the last, the greatest reduction from 12 annas to 8 annas being in the rate for the highest grade. They also supported a suggestion that for journeys performed by lower grades of Government servants by regular public motor services the mileage allowances should be reduced by half.

Under Daily allowances similar reductions were recommended ranging from a cut of Rs. 3 in the rate of grade I officials down to a cut of one anna in the lowest grade.

The rates of travelling allowances for journeys on transfer and the special rates allowed to certain high officials will be taken up for consideration to-morrow.

III.—PRESS COMMUNIQUÉ, DATED 25TH JUNE 1931.

Travelling allowances.—The Committee to-day completed their examination of the travelling allowances. They recommended a considerable reduction in the rates allowed for journeys on transfer both by rail and road. They also decided to recommend for the consideration of Government that Members of Council and Ministers might temporarily agree to utilize reserved compartments instead of reserved carriages or saloons for ordinary journeys on tour and that they should also accept reductions in the rate of halting allowance and mileage. They further agreed that similar reductions in the rates of daily allowance and mileage should be applied to the Members of the Board of Revenue and the President of the Legislative Council. It was finally accepted that the rates for Members of the Legislative Council should be reduced to the same extent as those for grade I officers.

2. *Compensatory allowances.*—In the afternoon the Committee took up the subject of compensatory allowances and decided to recommend that these should be cut by five annas in the rupee for all allowances above Rs. 50, by four annas in the rupee for allowance of Rs. 50 down to and including Rs. 20 and two annas in the rupee for allowances below Rs. 20. They went on to recommend that reductions at half the above rates should be made in the rates of hill allowances during the stay of Government at Ootacamund.

3. *Pooling of tents.*—They supported the proposal that all tentage allowances should be abolished and that the necessary supply of tents should be maintained by Government and supplied to officers as required.

4. *Housing concessions.*—On the subject of the various housing concessions now in force they considered that the concession of allowing free quarters should be abolished except where it forms part of the conditions of service and that rent should be levied under the ordinary rules either at full or at concessional rates.

5. *Supply of electrical energy.*—Finally they suggested that the free supply of electrical energy where this is now allowed should be abolished.

IV.—PRESS COMMUNQUÉ, DATED 30TH JULY 1931.

The Retrenchment Committee reassembled this morning and transacted the following business:—

1. *Koraput District Jail.*—They considered a report that they had called for from the Inspector-General of Prisons on the possibility of reducing the Koraput District Jail to the status of a sub-jail. The Inspector-General's report showed that this would be possible and would produce savings of about Rs. 10,000 a year. The Committee supported the proposal.

2. *Fixed travelling allowances.*—They then considered the question of reducing the rates of fixed travelling allowance and decided to recommend a general cut of about 12½ per cent in all cases.

3. *Reduction of salaries.*—In the afternoon the Committee had a preliminary discussion of the principles to be followed in approaching the general question of reducing salaries. They reached no final conclusions and decided to call for further information on a number of points.

V.—PRESS COMMUNIQUÉ, DATED 31ST JULY 1931.

1. *Special pays.*—The first subject for discussion for the Retrenchment Committee this morning was the question whether any reduction should be aimed at in the allowances now granted to Government servants under the heading of special pay. The Committee decided to make no general recommendation on this subject but to examine in detail the list of allowances themselves with a view to discovering whether the reduction or total abolition of certain allowances could be justified.

2. *Public Works Department.*—The Committee then proceeded to examine a preliminary memorandum on Public Works Department expenditure, with reference primarily to the standard of expenditure in future years under this head. They came to the provisional conclusion that the scale of expenditure on major and minor works might be reduced by about Rs. 20 lakhs. They then examined the ratio between the cost of establishments and the outlay on works, and expressed the view that the amount spent on establishments at present was excessive and that reductions, in accordance with the revised scale of expenditure on works, might be secured of about Rs. 7 lakhs.

The Committee were inclined to think that it would be necessary to appoint a special Sub-Committee to enquire in detail into the methods and machinery of the Public Works Department, but before coming to final conclusions on any of these matters they decided that it would be advisable to interview the Chief Engineers.

3. *Irrigation expenditure.*—The Committee then considered the proposals made by the Chief Engineer, Irrigation, for immediate reduction of expenditure during the current year. His proposals were

calculated to secure a net saving of about Rs. 4 lakhs on works and the Committee agreed that these might be accepted, but expressed the opinion that greater economies should be possible and decided to pursue the matter further in consultation with the Chief Engineer.

4. *Grants for roads and bridges.*—On the subject of the non-recurring grants which are at present given for roads, bridges and village communications, the Committee recognized that having regard to the fall in revenues that they anticipate, some reduction would be necessary in comparison with the scale of grants that have been given during the last few years. The figure of reduction suggested under these combined heads was Rs. 8 lakhs.

VI.—PRESS COMMUNIQUÉ, DATED 1ST AUGUST 1931.

1. *Labour Department.*—The Committee resumed the discussion which had been initiated at their first series of meetings held in Ootacamund, on the future of the Labour Department. While adhering to the opinion that the Commissioner of Labour should not be abolished, the Committee finally agreed to recommend that his duties on behalf of the depressed classes should be performed as an experimental and temporary measure for two years by a Member of the Board of Revenue who for this purpose would also be the Commissioner of Labour.

They further considered that certain duties at present performed by the Commissioner in connexion with purely industrial and labour matters might be distributed among the various officers in Madras and in the districts.

2. *Registration Department.*—After lunch the Committee took up for consideration the Registration Department on which they had called for further information at their June sittings in Ootacamund. The Committee after examining a detailed memorandum furnished by the Inspector-General of Registration made the following among other recommendations:—

(1) Reduction of the number of District Registrars' offices by six;

(2) amalgamation of the post of the Inspector of Registration Offices and the Personal Assistant to the Inspector-General; and

(3) abolition of the itinerating Sub-Registry offices.

The Committee after examining the Inspector-General and a specimen of an enlarged photo-copy, specially produced by him, decided to recommend the continuance of the experiment of photo-copying documents, full size photo-copies being substituted for the present small copies and the fees being raised, if necessary, to cover the extra cost.

On the questions of reducing the number of Sub-Registry offices or raising the rates of Registration fees, the Committee reserved their opinion until a later date.

FORT ST. GEORGE,
3rd August 1931.

G. R. F. TOTTENHAM,
Retrenchment Secretary.